

Audit

Report



GOVERNMENT PERFORMANCE AND RESULTS ACT GOALS:
DISPOSAL OF EXCESS REAL PROPERTY

Report No. D-2001-080

March 15, 2001

Office of the Inspector General
Department of Defense

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| Abstract The Government Performance and Results Act (GPRA) of 1993, Public Law 103-62, was designed to improve Government-wide program effectiveness, Government accountability, and public confidence by requiring agencies to identify measurable annual performance goals, against which actual achievements can be compared. This report is one in a series resulting from our audits of GPRA goals. This report discusses the FY 1999 DoD GPRA Performance Measure 2.3.7, "Disposal of Excess Real Property." The performance measure consists of two subordinate performance measures, each with its own goals. The first subordinate performance measure facilitates oversight of DoD demolition of its obsolete and excess structures and has an overall goal to demolish or dispose of 80.1 million square feet of excess facilities by the end of FY 2003. The FY 1999 demolition goal was to eliminate a cumulative total of 24.6 million square feet by the end of FY 1999. The second subordinate performance measure tracks disposal of acreage excess to DoD needs as determined through the base realignment and closure (BRAC) process. The FY 2000 acreage disposal goal was to achieve a 50 percent reduction (146,500 acres) in total excess acreage. | | |
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Acronyms

| | |
|------|---|
| AT&L | Acquisition, Technology, and Logistics |
| BRAC | Base Realignment and Closure |
| GPRA | Government Performance and Results Act |
| NPR | National Partnership for Reinventing Government |
| OEA | Office of Economic Adjustment |
| PA&E | Program Analysis and Evaluation |



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March 15, 2001

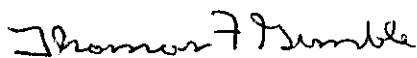
MEMORANDUM FOR UNDER SECRETARY OF DEFENSE FOR ACQUISITION,
TECHNOLOGY, AND LOGISTICS
ACTING DEPUTY UNDER SECRETARY OF DEFENSE
(ACQUISITION REFORM)
DIRECTOR, PROGRAM ANALYSIS AND EVALUATION

SUBJECT: Audit Report on Government Performance and Results Act Goals:
Disposal of Excess Real Property (Report No. D-2001-080)

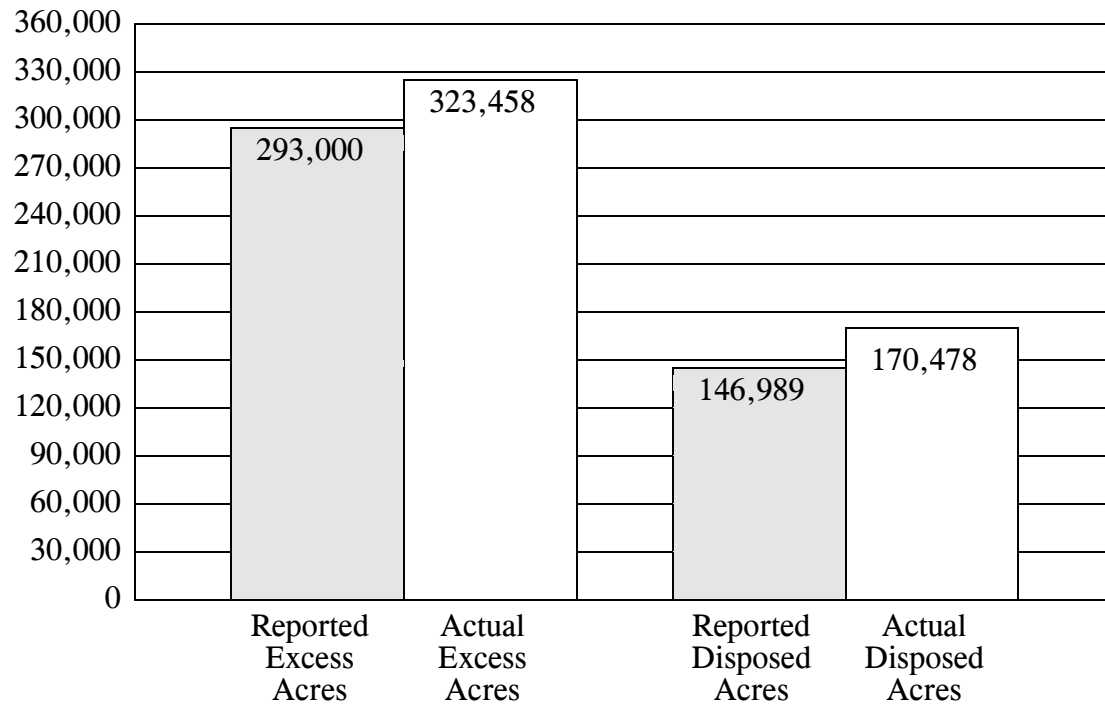
We are providing this report for information and use. This report is one in a series being issued by the Inspector General, DoD, that discusses various performance measures and indicators of the DoD Government Performance and Results Act Performance Report for FY 1999 included in Appendix I of the Secretary of Defense's "Annual Report to the President and the Congress," 2000. We considered management comments on a draft of this report when preparing the final report.

Comments on this draft report conformed to the requirements of DoD Directive 7650.3 and left no unresolved issues. Therefore, no additional comments are required.

We appreciate the courtesies extended to the audit staff. For additional information on this report, please contact Mr. Wayne K. Million at (703) 604-9312 (DSN 664-9312) (wmillion@dodig.osd.mil) or Ms. Bobbie Sau Wan at (703) 604-9259 (DSN 664-9259) (bwan@dodig.osd.mil). See Appendix D for the report distribution. The audit team members are listed inside the back cover.


Thomas F. Gimble
Acting Deputy Assistant Inspector General
for Auditing

**Government Performance and Results Act
Excess Real Property FY 2000**



Office of the Inspector General, DoD

Report No. D-2001-080

(Project No. D2000CG-0141)

March 15, 2001

Government Performance and Results Act Goals: Disposal of Excess Real Property

Executive Summary

Introduction. The Government Performance and Results Act (GPRA) of 1993, Public Law 103-62, was designed to improve Government-wide program effectiveness, Government accountability, and public confidence by requiring agencies to identify measurable annual performance goals, against which actual achievements can be compared.

This report is one in a series resulting from our audits of GPRA goals. This report discusses the FY 1999 DoD GPRA Performance Measure 2.3.7, "Disposal of Excess Real Property." The performance measure consists of two subordinate performance measures, each with its own goals. The first subordinate performance measure facilitates oversight of DoD demolition of its obsolete and excess structures and has an overall goal to demolish or dispose of 80.1 million square feet of excess facilities by the end of FY 2003. The FY 1999 demolition goal was to eliminate a cumulative total of 24.6 million square feet by the end of FY 1999. The second subordinate performance measure tracks disposal of acreage excess to DoD needs as determined through the base realignment and closure (BRAC) process. The FY 2000 acreage disposal goal was to achieve a 50 percent reduction (146,500 acres) in total excess acreage.

Objectives. The overall audit objective was to determine whether DoD actions were effective with respect to fulfilling the GPRA goals of streamlining DoD infrastructure, as shown in the Secretary of Defense's "Annual Report to the President and the Congress," 2000 (the Annual Report). We also reviewed the management control program as it applied to the overall audit objective, which will be discussed in a summary report.

Results. DoD demolished 45.1 million square feet of obsolete buildings through FY 2000 and was on track to achieve the overall demolition goal of 80.1 million square feet by the end of FY 2003. DoD achieved its acreage disposal goal by eliminating 146,989 acres by the end of FY 2000. In the Annual Report, DoD reported that it had 293,000 excess acres, an understatement of 30,458 acres. DoD reported it had disposed of 21,077 acres in FY 1999, an understatement of 4,510 acres. The cumulative reported total of 146,989 acres was understated by 23,489 acres. Without complete and accurate disclosure of disposal information, oversight officials cannot make an accurate assessment of disposal progress, accurate historical information will not be available for proper planning and funding of future BRAC actions, and any future decisions cannot be appropriately and accurately made when the data used to make the decisions are inaccurate. See the Finding section for details.

Summary of Recommendations. We recommend the Deputy Under Secretary of Defense (Acquisition Reform) and the Director, Program Analysis and Evaluation, issue guidance to revise the GPRA acreage baseline and disposal goals and modify the annual reports to present progress made by the Services in disposing of all excess acreage, noting valid exceptions.

Management Comments. The Acting Deputy Under Secretary of Defense (Acquisition Reform) concurred with the recommendations and has taken corrective actions. However, the Acting Deputy nonconcurred with the report's conclusion that inappropriate decisionmaking could result due to inaccurate data reported. In addition, the Acting Deputy nonconcurred with the report's characterization of GPRA as a decision process for resource decisionmaking and also nonconcurred that the recommendations be directed to the Director, Program Analysis and Evaluation. A discussion of management comments is in the Finding section of the report, and the complete text is in the Management Comments section.

Audit Response. The Acting Deputy Under Secretary of Defense (Acquisition Reform) comments were responsive to the recommendations. As for the audit conclusion that inappropriate decisionmaking could result because of inaccurate data reported and the characterization of GPRA as a decision process, GPRA was designed to complement other processes and, therefore, its data should be accurate. We clarified our characterization of GPRA. We did not redirect the recommendations because the Acting Deputy Under Secretary had already taken actions to meet their intent. We did modify the report to clarify that the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics is the primary sponsor for Performance Measure 2.3.7 and is responsible for meeting the quality and monitoring guidelines established by the Office of Management and Budget. Additional management comments are not required.

Table of Contents

| | |
|--|----|
| Executive Summary | i |
| Introduction | |
| Background | 1 |
| Objectives | 2 |
| Finding | |
| Disposal of Obsolete Facilities and Excess Acreage | 3 |
| Appendixes | |
| A. Audit Process | |
| Scope and Methodology | 10 |
| Prior Coverage | 10 |
| B. Excess and Disposed Acres for BRAC Sites Excluded From GPRA | |
| Performance Reporting | 12 |
| C. Understatements in GPRA Reported Disposed Acres Through FY 2000 | 16 |
| D. Report Distribution | 17 |
| Management Comments | |
| Acting Deputy Under Secretary of Defense (Acquisition Reform) | 19 |

Background

This report is one in a series resulting from our audits of Government Performance and Results Act (GPRA) goals. This report discusses the FY 1999 DoD GPRA Performance Measure 2.3.7, “Disposal of Excess Real Property.” That measure consists of two subordinate performance measures to track DoD infrastructure streamlining efforts: the demolition or disposal of obsolete and excess facilities located on sites still required by DoD and the disposal of acreage excess to DoD needs.

The Government Performance and Results Act of 1993 (Public Law 103-62). GPRA was designed to improve Government-wide program effectiveness, Government accountability, and public confidence by requiring agencies to identify measurable annual performance goals, against which actual achievements can be compared. GPRA requires Federal agencies to prepare strategic plans, annual performance plans, and program performance reports covering the program activities in their budgets.

In March 2000, DoD fulfilled its GPRA requirement by publishing a combined performance plan for FY 2001 and performance report for FY 1999 in Appendix I of the Secretary of Defense’s “Annual Report to the President and the Congress,” 2000 (the Annual Report). The Office of the Director, Program Analysis and Evaluation (PA&E) obtains performance data and prepares the overall GPRA appendix in the Annual Report through a GPRA Implementation Issues Team composed of DoD points of contact. The team guides and coordinates GPRA compliance activities. The sponsor for GPRA Performance Measure 2.3.7, “Disposal of Excess Real Property,” is the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics (AT&L). AT&L is responsible for meeting the quality and monitoring guidelines established by the Office of Management and Budget.

GPRA Goals and Measures. In the Annual Report, DoD established two corporate level goals and eight subordinate performance goals.

- **Goal 1.** Shape the international security environment and respond to the full spectrum of crises by providing appropriately sized, positioned, and mobile forces.
- **Goal 2.** Prepare now for an uncertain future by pursuing a focused modernization effort that maintains U.S. qualitative superiority in key warfighting capabilities. Transform the force by exploiting the Revolution in Military Affairs, and reengineer the Department to achieve a 21st century infrastructure.

This audit report addresses Performance Measure 2.3.7, which is one of nine measures or indicators used to assess Performance Goal 2.3: “Streamline the DoD infrastructure by redesigning the Department’s support structure and pursuing business practice reforms.” Performance Goal 2.3 is one of five subordinate performance goals of Goal 2.

Disposal of Excess Real Property. To assess progress made in disposing property no longer needed by DoD, Performance Measure 2.3.7 uses two subordinate performance measures, demolition of excess facilities and disposal of excess acreage, each with its own goal. The goal for the demolition of excess facilities is 80.1 million square feet by the end of FY 2003. The goal for the disposal of excess acreage was 146,500 acres by the end of FY 2000. The Annual Report states that the baseline for establishing the excess acreage goal was 293,000 acres on bases that were designated for closure by Defense base realignment and closure (BRAC) decisions. The DoD progress toward achieving each goal is measured using the aggregate performance of all of the Services.

Objectives

The overall audit objective was to determine whether DoD actions were effective with respect to fulfilling the GPRA goals of streamlining DoD infrastructure, as shown in the Annual Report. Specifically, for this report, we assessed the validity of the process, data, and factors used to establish the goals related to the demolition of obsolete and excess facilities and the disposal of excess acreage. We evaluated the methods used to accumulate and report the data collected by DoD against the goals. We also reviewed the management control program as it applied to the overall audit objective, which will be discussed in a summary report. See Appendix A for a discussion of the audit scope and methodology and for prior coverage related to the audit objectives.

Disposal of Obsolete Facilities and Excess Acreage

DoD was exceeding its goal for the disposal of obsolete facilities and was on track to achieve its FY 2003 demolition goal. DoD achieved its acreage disposal goal by eliminating 146,989 acres by the end of FY 2000. However, the goal for disposal of excess acreage was not accurately established nor was the progress being accurately reported. In the Annual Report, DoD reported that it had 293,000 excess acres, an understatement of 30,458 acres. DoD reported it had disposed of 21,077 acres in FY 1999, an understatement of 4,510 acres. The understatements occurred because DoD selected the disposal goal established for the National Partnership for Reinventing Government (NPR)* as its GPRA disposal goal. The NPR goal does not include all acreage declared excess and awaiting disposal and, therefore, does not accurately present all of the information provided to officials responsible for funding and resource decisionmaking. As a result, oversight officials cannot make an accurate assessment of disposal progress, accurate historical information will not be available for proper planning and funding of future BRAC actions, and any future decisions cannot be appropriately and accurately made when the data used to make the decisions are inaccurate.

DoD Demolition Progress Exceeds Projections

In FY 1997, DoD surveyed its installations and identified 80.1 million square feet of obsolete buildings, including more than 8,000 individual structures, which could be demolished to save operation and maintenance dollars. Those structures are on installations that DoD does not intend to close. DoD established as a GPRA goal the demolition of 80.1 million square feet of obsolete facilities by the end of FY 2003. As shown in Figure 1, DoD exceeded its demolition goal from FY 1998 through FY 2000 and was on track to achieve its GPRA demolition goal for FY 2003.

*Formerly the National Performance Review.

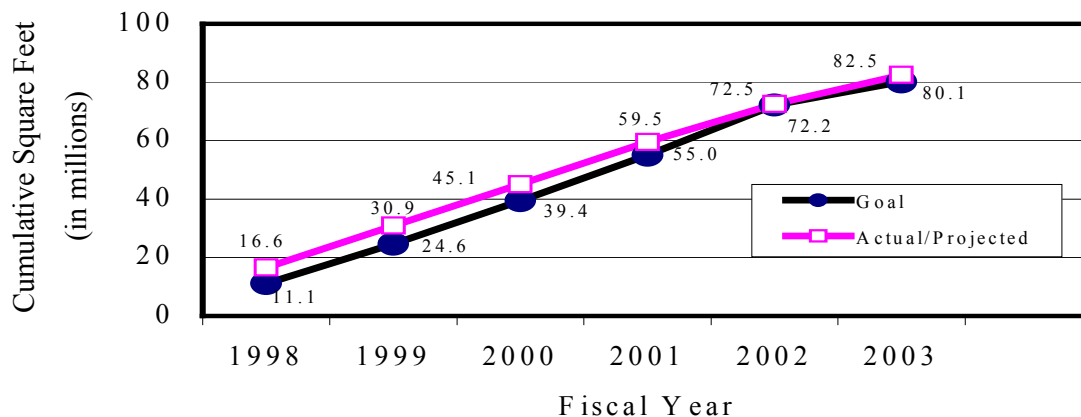


Figure 1. DoD Demolition Progress

Acreage Included in Disposal Measure

BRAC Actions. DoD, in close cooperation with Congress, proposed the BRAC process to bring the base structure in line with the declining force structure. As a result, installations considered excess to the needs of DoD were identified so as to apply base structure savings to force modernization and readiness. The GPRA excess acreage measure tracks disposal of land on bases that have been authorized for closure by BRAC decisions. As each installation is closed, DoD disposes of its excess acreage primarily through direct transfers to other Federal agencies, deed conveyances through public benefit transfers, economic development transfers, long-term leases, or market sales.

BRAC Sites Included in GPRA. DoD reports GPRA acreage disposal progress at 105 BRAC sites that had undisposed excess acreage on September 30, 1996. Those sites were already being used to track disposal progress for the NPR at the time the GPRA measure was selected. The NPR was created in 1993 as an interagency task force designed to fundamentally change the Federal Government and make it work better, cost less, and produce results Americans care about.

Service Reporting Procedures. Service field agencies report field data to their regional BRAC service centers as property transfers occur. The number of excess acres approved for transfer is also updated as property transactions occur. Regional service centers then report data to their BRAC headquarters offices, which review, update, and verify excess and disposed acreage data and forward the data quarterly to the Office of Economic Adjustment (OEA). OEA is the primary DoD office responsible for providing technical and financial assistance to communities adversely affected by BRAC in order to help redevelop closed bases into centers for job creation and other community activities. OEA officials manage all Service acreage data to ensure uniformity and consistency for quarterly submission to AT&L and ultimately to PA&E. DoD reports progress made by the Services in disposing of excess acreage at the 105 BRAC sites using the same procedures and data for both GPRA and the NPR.

Acreage Excluded From Disposal Measure

GPRA Disposal Measure. The FY 1999 GPRA disposal goal of 146,500 acres was 50 percent of the adjusted FY 1997 baseline of 293,000 excess acres. The Annual Report states that the FY 1997 baseline does not include 185,669 acres belonging to three of the 105 BRAC sites included in the GPRA measure. Those three sites are the Naval Air Facility, Adak, Alaska (73,923 acres); the Sierra Army Depot, California (60,108 acres); and the Jefferson Proving Ground, Indiana (51,638 acres). Those three sites are excluded because of their large size or the presence of unexploded ordnance.

NPR Disposal Measure. DoD does not report disposal progress at all BRAC sites for the NPR goal. At the time that BRAC sites for the NPR disposal measure were selected, 56 sites (listed in Appendix B) were excluded because those sites generally had less acreage than the 105 included sites.

Accuracy of Reported GPRA Disposal Progress

The GPRA goal, performance measure, and performance report for disposal of excess acreage does not include the 56 BRAC sites excluded from the NPR measure. When the initial DoD GPRA performance plan was revised for FY 1999, the NPR measure was selected as the GPRA measure, which resulted in those 56 sites being excluded from the GPRA measure. Exclusion of those sites understates both the excess acreage available for disposal and the number of acres disposed. However, the Services are required to dispose of all BRAC site acreage.

Understated GPRA Excess Acres. We calculated the FY 1999 understatements in DoD reported excess acres by comparing the actual excess acres at all BRAC sites with excess acres at the 105 reported BRAC sites. DoD actual FY 1999 excess was 323,458 acres, or 30,458 (10.4 percent) more acres than the 293,000 excess acres reported. Those additional excess acres belong to the 56 BRAC sites excluded from GPRA and should have been added to the DoD baseline of 293,000 excess acres before establishing disposal goals. Appendix B lists the number of acres at each of the 56 sites.

The Navy had the most significant share of the understatement in total acreage intended for disposal but excluded from GPRA. The Navy's reported 62,227 excess acres were understated by 21,253 (25.46 percent), based on the 83,480 total Navy acres available for disposal. Of the remaining 9,205 unreported excess acres, 9,142 and 63 acres belong to the Army and the Air Force, respectively.

Unreported Disposed Acres. For FY 1999, DoD actually disposed of 25,587 acres at all BRAC sites, as shown in Figure 2. DoD reported disposal of only 21,077 acres, which was an understatement of 4,510 acres (21.4 percent). Appendix C lists acres disposed by the Services but not reported under GPRA. Only the Army and the Navy had unreported disposed acres in FY 1999.

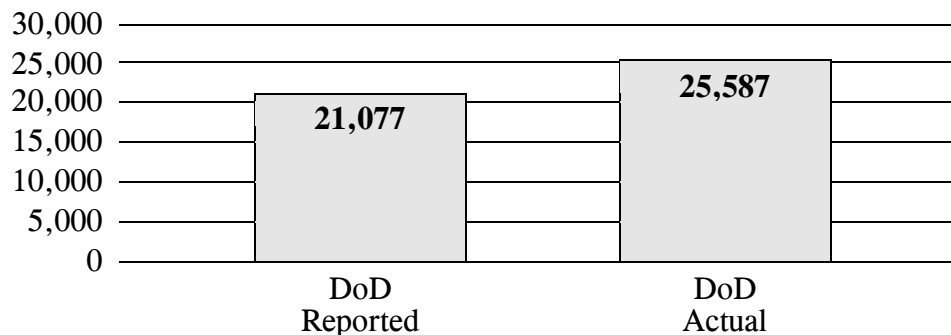


Figure 2. FY 1999 Disposed Acres

DoD FY 2000 Acreage Disposal Goal

DoD reported 146,989 disposed acres as of September 30, 2000, as shown in Appendix C. DoD achieved its GPRA goal for disposal by September 30, 2000, of 50 percent (146,500 acres) of its reported 293,000 excess acres. However, the GPRA disposal goal of 146,500 acres was inaccurately established because numerous BRAC sites were excluded from the GPRA measure. The DoD disposal goal, using all BRAC sites, would be 50 percent of its actual 323,458 excess acres, or 161,729 acres. As shown in Appendix C, DoD achieved that goal by actually disposing 170,478 acres by September 30, 2000. Although DoD met its disposal goals using either the reported or the actual BRAC site acreage, the number of acres reported as disposed (146,989) as of September 30, 2000, was understated by 23,489 acres, or 15.98 percent.

Disposal Reporting

Disposal Acreage Excluded From the Reporting Process. OEA had no policies that addressed the total acreage to be included in GPRA performance reporting. Because the Annual Report does not specifically state that the GPRA measure includes only the BRAC sites selected for the NPR measure, the acreage information included in the GPRA goal, performance measure, and performance report is misleading. In addition, the Annual Report implies that all BRAC acreage is included as part of the GPRA measure by listing only three sites as being excluded. The Annual Report makes no mention of the 56 other BRAC sites excluded from the GPRA measure. Appendix B lists the BRAC sites with excess acreage requiring disposal but which have been consistently excluded. We found no reason why those sites should be excluded from the GPRA measure.

DoD Interest in Reporting Accurate Disposal Progress. OEA officials informed us that they never offered, nor did AT&L officials ever ask for, more accurate and complete disposal information by having acreage at all BRAC sites included in the GPRA goal, performance measure, and performance reports.

The Services maintain acreage disposal data for all BRAC sites. Furthermore, OEA officials informed us that they created their own database during February 1999 to provide information on all BRAC sites to DoD and congressional officials promoting BRAC. Despite access to Service disposal records and its own database of all BRAC sites, OEA officials never informed AT&L or PA&E officials of the significant effect of excluding numerous BRAC sites from the GPRA disposal measure. In addition, at the start of our audit, some OEA and Service BRAC officials were not aware that only their NPR disposal data were being used for the GPRA performance reporting.

Adequacy of Guidance for Disposal Performance Reporting

Information provided to PA&E for publication in the Annual Report was inaccurate because AT&L had not issued specific guidance requiring that disposal data for all BRAC sites be included in the GPRA goal, performance measure, and performance reports. AT&L, PA&E, and OEA officials were not aware that more accurate and complete acreage disposal data were readily available from databases maintained by OEA and the Services. Therefore, GPRA performance reports did not include all the data available for funding and resource decisionmaking.

DoD established an annual disposal goal of 20,000 acres for both FYs 2001 and 2002 and will continue to report acreage disposal progress. We believe that GPRA reporting of progress made by the Services in disposing of BRAC acreage should include progress made at all BRAC sites. Appendix I of the Annual Report states that the approach taken by GPRA to link expenditures and performance is consistent with how DoD applies its internal management process—the PPBS (Planning, Programming, and Budgeting System)—to guide the implementation of Quadrennial Defense Review decisions. Without complete disposal information, oversight officials do not have an accurate assessment of disposal progress, particularly for the Army and Navy. Without specific guidance, OEA and the Service BRAC officials will not modify their disposal performance reporting procedures to provide more accurate GPRA information. In addition, accurate historical information will not be available for proper planning and funding of future BRAC actions. Specific guidance is therefore necessary to inform all parties involved that progress for GPRA Performance Measure 2.3.7 includes progress at all BRAC sites, except the three sites excluded because of their large size or the presence of unexploded ordnance.

Conclusion

Based on DoD demolition progress, DoD was on track to achieve its GPRA demolition goal of 80.1 million square feet by the end of FY 2003. DoD also met its disposal goal for excess acreage. However, DoD has consistently understated the disposal baseline, goals, and progress in its GPRA performance reports. Without complete and accurate disclosure of disposal information, oversight officials cannot make an accurate assessment of disposal progress,

accurate historical information will not be available for proper planning and funding of future BRAC actions, and any future decisions cannot be appropriately and accurately made when the data used to make the decisions are inaccurate.

Management Comments on the Report and Audit Response

The Acting Deputy Under Secretary of Defense (Acquisition Reform) provided comments on the report's conclusion and the characterization of GPRA. For the full text of the comments, see the Management Comments section of this report.

Management Comments. The Acting Deputy Under Secretary of Defense (Acquisition Reform) nonconcurred with the report's conclusion that inappropriate decisionmaking could result due to inaccurate data reported. In addition, the Acting Deputy Under Secretary nonconcurred with the report's characterization of GPRA as a decision process for resource decisionmaking. She also nonconcurred that the recommendations be directed to PA&E.

Audit Response. Acting Under Secretary of Defense (Comptroller) memorandum, "Government Performance and Results Act Implementation," October 16, 1997, states:

Subordinate level strategic planning documents, goals, and objectives will be complete, provided linkage is demonstrated from the QDR [Quadrennial Defense Review] and other higher level strategic planning documents to the planning document being developed. . . . To a large extent, GPRA complements the DoD Planning, Programming, and Budgeting System (PPBS) in that the objectives of both are to translate strategic planning documents into programs and activities through which the plan can be accomplished. . . . I recommend that subordinate level organizations also integrate their GPRA planning and program evaluations with the DoD PPBS.

It is apparent that the implementation of GPRA was designed from the beginning to complement other processes such as the Quadrennial Defense Review and the Planning, Programming, and Budgeting System. We never intended to characterize GPRA as a totally stand-alone process and modified the discussion accordingly. However, because GPRA was intended to complement various DoD planning and program review processes, accurate planning and program review decisions cannot be made when the data are incomplete or inaccurate. Although we did not redirect the recommendations, we did modify the report to clarify that AT&L is the primary sponsor for Performance Measure 2.3.7.

Recommendations and Management Comments

We recommend that the Deputy Under Secretary of Defense (Acquisition Reform) and the Director, Program Analysis and Evaluation:

- 1. Issue guidance to the Director, Office of Economic Adjustment,**

requiring that disposal progress reported by each Service for the Government Performance and Results Act present progress made in disposing of all excess acres remaining to be disposed as of September 30, 1996, except acres belonging to sites excluded from the Government Performance and Results Act because of their large size or the presence of unexploded ordnance.

Management Comments. The Acting Deputy Under Secretary of Defense (Acquisition Reform) concurred and issued a memorandum to the Director, Office of Economic Adjustment, thorough the Deputy Under Secretary of Defense (Installations) requiring that the disposal progress reported for the GPRA by each Service BRAC office present progress in disposing of all excess acres remaining to be disposed as of September 30, 1996.

2. Revise the baseline and all existing and future acreage disposal goals to accurately present the DoD efforts to dispose of all Defense base realignment and closure sites remaining as of September 30, 1996, except those excluded because of their large size or the presence of unexploded ordnance.

Management Comments. The Acting Deputy Under Secretary of Defense (Acquisition Reform) concurred and issued a memorandum to the Deputy Under Secretary of Defense (Installations) and the Director, Office of Economic Adjustment, to revise all existing and future BRAC acreage disposal goals to accurately present the DoD efforts to dispose of all excess acres remaining as of September 30, 1996.

3. Revise descriptions of the excess acreage disposal process in future annual reports to specifically require that Government Performance and Results Act Performance Measure 2.3.7 presents progress made by the Services in disposing of all excess acres remaining to be disposed as of September 30, 1996, unless valid and documented exclusions for specific acres apply, and list the exclusions.

Management Comments. The Acting Deputy Under Secretary of Defense (Acquisition Reform) concurred and issued a memorandum to the Deputy Under Secretary of Defense (Installations) and the Director, Office of Economic Adjustment, to revise the excess disposal process in the FY 2000 and future data maps and annual reports to specifically state that GPRA Performance Measure 2.3.7 presents the Services' progress in disposing of all excess acres remaining as of September 30, 1996, unless valid and documented exclusions for specific acres apply.

Appendix A. Audit Process

Scope and Methodology

Work Performed. In the Annual Report, DoD reported that it would meet, by the target date of the end of FY 2000, its mid-term goal of 146,500 disposed acres. DoD also reported that it exceeded its FY 1999 goal for demolishing or disposing of obsolete and excess buildings and that no shortfalls were expected in FY 2000. We verified that disposal processes for excess acreage and facilities were consistently described and applied. We also made inquiries of DoD and Military Department staff to determine the methodology used to prepare and compile the facility demolition and excess acreage disposal goals and data. During the audit, we interviewed DoD officials in the Office of the Deputy Under Secretary of Defense (Acquisition Reform), the Defense Reform Office, the Office of the Deputy Under Secretary of Defense (Installations), the OEA, the Military Departments, and the Defense Logistics Agency. We obtained numerous documents from those various sources to validate the accuracy of the reported demolition of obsolete and excess facilities and the reported disposal of excess acreage. Documents included land deeds; long-term lease agreements; Military Department real property records; DoD annual reports to the President and the Congress; the DoD Acquisition Reform Goal; and numerous related reports, directives, and procedures. Those documents generally covered the period from FY 1997 through FY 2000.

Use of Computer-Processed Data. We verified that acreage and demolition data provided by OEA and the Services were accurate through the judgmental sampling and tracking of data back to source documentation.

Audit Type, Dates, and Standards. We performed this program audit from April through September 2000 in accordance with auditing standards issued by the Comptroller General of the United States, as implemented by the Inspector General, DoD. Accordingly, we included tests of management controls considered necessary.

Contacts During the Audit. We visited or contacted individuals within DoD. Further details are available on request.

Management Control Program Review. Our review of management controls over GPRA performance measure goals will be discussed in a summary report upon completion of the current reviews.

Prior Coverage

The General Accounting Office has conducted multiple reviews related to GPRA. This report is one in a series on the Inspector General, DoD, current reviews of GPRA performance measures and indicators. Unrestricted General Accounting Office reports can be accessed over the Internet at <http://www.gao.gov>. Unrestricted Inspector General, DoD, reports can be accessed at <http://www.dodig.osd.mil/audit/reports>.

Appendix B. Excess and Disposed Acres for BRAC Sites Excluded From GPRA Performance Reporting

| Acreage Location | Excess Acres | Disposed Acres* |
|--|-----------------|--------------------|
| Army - Excluding Family Housing Sites | | |
| Alabama Army Ammunition Plant, AL | 2,209 | 0 |
| Branch U.S. Disciplinary Barracks, CA | 2,851 | 0 |
| East Fort Baker, CA | 93 | 0 |
| Fort Hunter Liggett, CA | 106 | 0 |
| Rio Vista Army Reserve Center, CA | 28 | 0 |
| Bennett Army National Guard Facility, Arapaho County, CO | 242 | 0 |
| Fort Des Moines, IA | 49 | 49 |
| Hingham Cohasset, MA | 125 | 0 |
| Sudbury Training Annex, MA | 2,301 | 2,205 |
| NIKE Kansas City 30, MO | 20 | 0 |
| Fort Missoula, MT | 21 | 0 |
| Recreation Center #2, Fayetteville, NC | 4 | 0 |
| Camp Kilmer, NJ | 49 | 0 |
| Camp Pedricktown, NJ | 46 | 0 |
| Fort Dix, NJ | 302 | 14 |
| Bellmore Logistics Activity, NY | 17 | 0 |
| Charles E. Kelly Support Center, PA | 26 | 10 |
| Fort Indiantown Gap, PA | 575 | 575 |
| Tacony Warehouse, PA | 14 | 0 |
| Defense Mapping Agency, Herndon, VA | 12 | 12 |
| Subtotal | 9,090 | 2,865 |
| Army - Family Housing Sites | | |
| Swansea, MA | 5 | 5 |
| NIKE NY 79/80, Livingston, NJ | 14 | 0 |
| NIKE NY 93/94, Franklin Lake, NJ | 11 | 11 |
| NIKE Philadelphia 41/43, Clementon, NJ | 4 | 0 |
| Manhattan Beach, NY | 5 | 5 |
| NIKE NY 99, Spring Valley, NY | 5 | 5 |
| Pitt 25, Monroeville, PA | 8 | 8 |
| Subtotal | 52 | 34 |
| Total Army | 9,142 | 2,899 |

*Cumulative disposed acres from September 30, 1996, through September 30, 2000.

| <u>Acreage Location</u> | <u>Excess Acres</u> | <u>Disposed Acres*</u> |
|---|-------------------------|----------------------------|
| Navy - Excluding Naval Reserve Centers | | |
| Naval Public Works Center, San Francisco, CA | 554 | 355 |
| Salton Sea Test Base, Imperial County, CA | 19,410 | 19,410 |
| NUWC/NUSC, New London, CT | 32 | 17 |
| Naval Air Station, Key West, FL | 182 | 127 |
| NRL, Underwater Sound Reference Detachment, Orlando, FL | 19 | 12 |
| NMCRC, Fort Wayne, IN | 4 | 4 |
| NMCRC, Lawrence, MA | 7 | 7 |
| NSWC, Carderock Division Detachment, Annapolis, MD | 68 | 0 |
| Naval Hospital Philadelphia, PA | 49 | 0 |
| NAWC-AD, Open Water Test Facility, Oreland, PA | 14 | 14 |
| Philadelphia Naval Shipyard, Philadelphia, PA | 266 | 0 |
| Fleet and Industrial Supply Center, Charleston, SC | 1 | 0 |
| Navy Radio Transmission Facility, Driver, VA | 600 | 600 |
| Subtotal | 21,206 | 20,546 |
| Navy - Naval Reserve Center Sites | | |
| Huntsville, AL | 3 | 3 |
| Pacific Grove, CA | 4 | 4 |
| Stockton, CA | 4 | 4 |
| Coconut Grove, Miami, FL | 3 | 3 |
| Monroe, LA | 5 | 5 |
| New Bedford, MA | 2 | 2 |
| Pittsfield, MA | 11 | 11 |
| Cadillac, MI | 2 | 2 |
| Great Falls, MT | 3 | 3 |
| Perth Amboy, NJ | 3 | 0 |
| Jamestown, NY | 2 | 2 |
| Ogden, UT | 3 | 3 |
| Staunton, VA | 1 | 1 |
| Sheboygan, WI | 1 | 1 |
| Subtotal | 47 | 44 |
| Total Navy | 21,253 | 20,590 |

*Cumulative disposed acres from September 30, 1996, through September 30, 2000.

| <u>Acreage Location</u> | <u>Excess Acres</u> | <u>Disposed Acres*</u> |
|---|-------------------------|----------------------------|
| Air Force | | |
| Ontario International Airport Air Guard Station, CA | 11 | 0 |
| Roslyn Air Guard Station, NY | <u>52</u> | <u>0</u> |
| Total Air Force acreage | 63 | 0 |
| Total DoD | 30,458 | 23,489 |

Acronyms

| | |
|---------|--|
| NAWC-AD | Naval Air Warfare Center - Aircraft Division |
| NMCRC | Navy/Marine Corps Reserve Center |
| NRL | Naval Research Laboratory |
| NSWC | Naval Surface Warfare Center |
| NUSC | Naval Underwater Systems Center |
| NUWC | Naval Undersea Warfare Center |

*Cumulative disposed acres from September 30, 1996, through September 30, 2000.

Appendix C. Understatements in GPRA Reported Disposed Acres Through FY 2000

The following table shows the understatements in GPRA reported disposed acres by comparing the number of acres actually disposed at all BRAC sites with the number of disposed acres reported in GPRA. All acres within the table were available for disposal as of September 30, 1996. Cumulative data are from September 30, 1996, through September 30, 2000.

| Understatements in GPRA Reported Disposed Acres | | | | |
|---|----------------|------------------|------------------------------------|---------------------------|
| Component (FY/Cumulative) | Actual | GPRA Reported | GPRA Reported Understatement | Percent Understatement |
| Army | | | | |
| 1999 | 6,324 | 5,737 | 587 | 10.23 |
| 2000 | 10,142 | 7,889 | 2,253 | 28.56 |
| Cumulative | 48,954 | 46,055 | 2,899 | 6.29 |
| Navy | | | | |
| 1999 | 15,129 | 11,206 | 3,923 | 35.01 |
| 2000 | 31,866 | 19,969 | 11,897 | 59.58 |
| Cumulative | 58,829 | 38,239 | 20,590 | 53.85 |
| Air Force | | | | |
| 1999 | 3,943 | 3,943 | 0 | 0 |
| 2000 | 7,249 | 7,249 | 0 | 0 |
| Cumulative | 61,981 | 61,981 | 0 | 0 |
| DLA | | | | |
| 1999 | 191 | 191 | 0 | 0 |
| 2000 | 355 | 355 | 0 | 0 |
| Cumulative | 714 | 714 | 0 | 0 |
| Total | | | | |
| 1999 | 25,587 | 21,077 | 4,510 | 21.40 |
| 2000 | 49,612 | 35,462 | 14,150 | 39.90 |
| Cumulative | 170,478 | 146,989 | 23,489 | 15.98 |

Appendix D. Report Distribution

Office of the Secretary of Defense

Under Secretary of Defense for Acquisition, Technology, and Logistics
Deputy Under Secretary of Defense (Acquisition Reform)
Deputy Under Secretary of Defense (Installations)
Under Secretary of Defense (Comptroller)
Deputy Chief Financial Officer
Deputy Comptroller (Program/Budget)
Director, Program Analysis and Evaluation

Department of the Army

Auditor General, Department of the Army

Department of the Navy

Naval Inspector General
Auditor General, Department of the Navy

Department of the Air Force

Assistant Secretary of the Air Force (Financial Management and Comptroller)
Auditor General, Department of the Air Force

Non-Defense Federal Organization

Office of Management and Budget

Congressional Committees and Subcommittees, Chairman and Ranking Minority Member

Senate Committee on Appropriations
Senate Subcommittee on Defense, Committee on Appropriations
Senate Committee on Armed Services
Senate Committee on Governmental Affairs
House Committee on Appropriations
House Subcommittee on Defense, Committee on Appropriations
House Committee on Armed Services
House Committee on Government Reform
House Subcommittee on Government Efficiency, Financial Management, and Intergovernmental Relations, Committee on Government Reform
House Subcommittee on National Security, Veterans Affairs, and International Relations, Committee on Government Reform
House Subcommittee on Technology and Procurement Policy, Committee on Government Reform

Acting Deputy Under Secretary of Defense (Acquisition Reform) Comments



ACQUISITION AND
TECHNOLOGY

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

29 JAN 2001

MEMORANDUM FOR DIRECTOR, CONTRACT MANAGEMENT DIRECTORATE,
OFFICE OF THE INSPECTOR GENERAL, DEPARTMENT
OF DEFENSE

SUBJECT: DoD Inspector General Draft Audit Report on Government Performance and
Results Act (GPRA) Goals: Disposal of Excess Real Property (Project No
D2000CG-0141)

Reference DoD Inspector Memorandum, Contract Management Directorate,
December 22, 2000, Subject: Audit Report on Government Performance and Results Act
(GPRA) Goals: Disposal of Excess Real Property (Project No D2000CG-0141)

We concur with the finding and each applicable technical recommendation of the
referenced audit report. We have provided guidance to the Director, Office of Economic
Adjustment to implement each applicable recommendation (Enclosure).

**We nonconcur with the report's conclusion that inappropriate decisionmaking
could result because the FY 1999 GPRA report did not represent all of the excess
disposal information tracked by DoD. As the audit report verified, the Services readily
maintain accurate and complete disposal information, including BRAC sites. This
information is available and used by decisionmakers at each review and decision point of
the Planning, Programming, and Budgeting System (PPBS).**

In addition, we nonconcur with the report's characterization of GPRA as a decision
process for resource decisionmaking operating independent of the PPBS or the
acquisition process. It has been DoD's long-held position that DoD's PPBS meets all
the performance management requirements of the Government Performance and Results
Act. DoD's policy regarding PPBS and GPRA was outlined in two 1997 memos signed by
the PDUSD-C. These policy memos were provided the DoD IG during the entrance
meeting with PA&E last summer.

Finally, we nonconcur with the recommendation that PA&E should issue guidance
for restructuring this performance measure. As established in the June 2000 memo
signed by the USD(C), the OUSD(AT&L) is the primary sponsor for this metric, and is
solely responsible for meeting the quality and monitoring guidelines established in
Office of Management and Budget (OMB) regulation A-11.

The point of contact is Dr. Jay Mandelbaum, Office of the Assistant Deputy Under
Secretary of Defense (Systems Acquisition), (703) 614-3882

Donna S. Richbourg

Donna S. Richbourg
Acting Deputy Under Secretary of Defense
(Acquisition Reform)

Enclosure
As stated





ACQUISITION AND
TECHNOLOGY

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

29 JAN 2001

MEMORANDUM FOR DEPUTY UNDER SECRETARY OF DEFENSE (INSTALLATIONS)
DIRECTOR, OFFICE OF ECONOMIC ADJUSTMENT

SUBJECT: DoD Inspector General Draft Audit Report on Government Performance and Results Act (GPRA) Goals: Disposal of Excess Real Property (Project No. D2000CG-0141)

Reference DoD Inspector Memorandum, Contract Management Directorate, December 22, 2000, Subject: Audit Report on Government Performance and Results Act (GPRA) Goals: Disposal of Excess Real Property (Project No. D2000CG-0141).

We concur with the finding and each applicable technical recommendation of the referenced audit report. Therefore, it is requested that your office take the following actions effective with the start of the first quarter fiscal year 2001:

- a. Require that the disposal progress reported by each Service Base Realignment and Closure headquarters for the GPRA represent progress at disposing of all excess acres remaining to be disposed as of September 30, 1996, other than those belonging to properties excluded from the GPRA due to their size and the presence of unexploded ordnance. These sites are the Naval Air Facility, Adak, AK (73,923), Sierra Army Depot, CA (60,108 acres) and Jefferson Proving Ground, IN (51,638 acres).
- b. Revise all existing and future Base Realignment and Closure acreage disposal goals to accurately represent DoD's efforts at disposing of all excess acres remaining to be disposed at September 30, 1996, except those excluded due to their large size or the presence of unexploded ordnance.
- c. Revise descriptions of the excess disposal process in the FY 2000 and future data maps and annual reports to specifically state that the GPRA Performance Measure 2.3.7 presents Service progress at disposing of all excess acreage remaining to be disposed at September 30, 1996, unless valid and documented exclusions for specific acres apply.

The point of contact is Dr. Jay Mandelbaum, Office of the Assistant Deputy Under Secretary of Defense (Systems Acquisition), (703) 614-3882.

Donna S. Richbourg
Donna S. Richbourg
Acting Deputy Under Secretary of Defense
(Acquisition Reform)

cc:
Director, Contract Management Directorate,
Office of the DoD Inspector General
Director, Program Analysis and Evaluation



Audit Team Members

The Contract Management Directorate, Office of the Assistant Inspector General for Auditing, DoD, prepared this report. Personnel of the Office of the Inspector General, DoD, who contributed to the report are listed below.

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